



# ***City of Shoreview***

## ***Housing Action Plan***

### ***Metropolitan Council Submittal***

***February 2011***

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## **Introduction**

The City of Shoreview is a participant in the Metropolitan Council's Livable Communities Act (LCA) and has adopted affordable and life-cycle housing goals for the community. By participating in this program, the City becomes eligible for grants, such as the Livable Communities Demonstration Account, which can provide assistance with meeting the adopted affordable/life-cycle housing and redevelopment goals. These goals were recently revised in 2010 in light of changing life-cycle housing needs.

Participant communities in LCA are required to prepare a Housing Action Plan. This Plan takes into consideration recent housing studies, the 2008 Comprehensive Plan and changing community needs. The City continues to carry out the policies identified in the Comprehensive Plan and has implemented some of the recommendations. This housing plan summarizes the current housing efforts and identifies gaps in the community's housing needs that should be addressed in the future.

## **Metropolitan Council - Adopted Housing Goals**

The Metropolitan Council has found there is a need for more housing within the next 30 years to accommodate the projected population growth while recognizing a change in unit preference type due to demographic changes. In past years, single-family detached housing has been the preferred type of home but demand is now increasing for attached housing that is more desirable for empty nesters, singles, and young couples with no children.

The Metropolitan Council also examined housing costs. To ensure the region has an adequate supply of affordable housing, the Metropolitan Council allocated the number of units needed in each community based on existing affordable housing choices, further growth opportunities, low wage proximity and transit. Shoreview's adopted goals for the time period between 2011 and 2020 are:

- ***Affordable housing: 70 to 107 units*** with the low end of the range representing the number of units for that can be accomplished with current funding levels.
- ***Life-cycle housing: 105 to 300 units*** with the low end of the range reflecting the affordable housing allocation with the high end representing the potential number of units projected by the City's 2030 Land Use Plan.

The City reviewed these goals and found that they may be attainable with anticipated future development and planned redevelopment efforts.



## **2008 Shoreview Comprehensive Plan – Housing Goals**

In addition to the goals identified above, the City established housing goals in the 2008 Comprehensive Plan. These goals address housing issues, such as infill development and affordable housing which were identified during the Comprehensive Planning process. The Comprehensive Plan also establishes policies and recommended actions for the City to implement so the issues can be addressed and the housing goals achieved (Attachment A). The following summarizes the established housing goals:

### **Housing Maintenance and Neighborhood Reinvestment**

1. To maintain and enhance the quality of residential neighborhoods.
2. To proactively encourage housing and property maintenance ensuring stable neighborhoods and property values.
3. To provide adequate municipal services and infrastructure in our residential neighborhoods.
4. To promote available resources that provide assistance to residents with property and home improvements.

### **Life-cycle and Affordable Housing**

1. To create and maintain a well-balanced community that provides life-cycle and affordable housing with a diverse mix of housing types and values.
2. To respond to demographic changes by providing housing for a variety of age and income groups.

### **Residential Infill and Redevelopment**

1. To encourage residential infill and redevelopment that supports the City's housing goals and maintains residential character.

Shoreview has developed an implementation plan that includes a variety of housing efforts which support the goals stated in the 2008 Comprehensive Plan. This plan relies on partnerships with other governmental agencies and non-profit organizations and is a multi-faceted approach that incorporates financial assistance programs, development planning, code enforcement and education. This comprehensive approach enables the City to address the community's changing housing needs while maintaining a high quality housing stock and strong neighborhoods.

## **Implementation Plan**

The implementation plan describes current efforts the City has enacted to accomplish the stated housing goals found in the Comprehensive Plan and the adopted housing goals of the Metropolitan Council. Again, this plan addresses the five elements needed to have a successful housing program; partnerships, financial assistance programs, development planning, code enforcement and education.

### **Partnerships**

The City has established partnerships with the following agencies to implement the City's Housing Plan:

#### *Greater Metropolitan Housing Corporation (GMHC)*

GMHC's mission is to improve the quality of life in the greater Minneapolis area through efforts that increase the availability and quality of affordable housing for low and moderate-income families and individuals. GMHC is a development partner with Shoreview when needed for affordable housing development and housing reinvestment.

GMHC also operates the Housing Resource Center™ (HRC) program which provides housing services for local communities. The City of Shoreview contracts with GMHC to provide the services of its Housing Resource Center to Shoreview residents. The HRC provides Shoreview residents extensive, high quality, and individualized assistance with their home improvement and home financing needs, including:

- Loan Information
- First Time Home Buyer Assistance
- Assistance regarding Construction Management
- Homeownership Assistance
- Administration of residential loan programs

#### *Ramsey County - Community and Economic Development*

Ramsey County's Community and Economic Development/Housing and Redevelopment Authority is the designated recipient of federal entitlement Community Development Block Grant (CDBG) and HOME Investment Partnership Program funds which are used for projects that reinvest in suburban Ramsey County. The City has executed a Joint Cooperation Agreement with Ramsey County which enables CDBG and HOME Funds to be used for affordable housing projects within the community.

## *Metropolitan Council*

### Livable Communities

The Metropolitan Council has implemented several housing programs to ensure that life cycle and affordable housing opportunities are available in the region. The Livable Communities Act (LCA) is a voluntary, incentive-based approach to help the Twin Cities metropolitan area address affordable and lifecycle housing needs while providing funds to communities to assist them in carrying out their development plans. The City participates in this program and has adopted affordable and life-cycle housing goals and continues to meet the required expenditures for local housing programs. As a result of this participation, Shoreview has received funding to assist with redevelopment projects which provide life-cycle and affordable housing.

### Family Affordable Housing Program

Shoreview also participates in Metropolitan Council's Family Affordable Housing Program (FAHP). This program was developed to assist the Minneapolis Public Housing Authority in meeting the required replacement of 770 units in response to the 1995 Hollman consent decree. The Metropolitan Council agreed to develop 150 of these replacement units via a scattered site rental unit acquisition program in partnering communities. A Cooperation Agreement has been executed between the City of Shoreview and the Metropolitan Council which permits the Metropolitan Council to own and manage ten (10) of these units in the City.

### *Rondo Community Land Trust*

The City of Shoreview and the Rondo Community Land Trust (CLT) have developed a collaborative partnership to provide long term affordable housing and homeownership options for Shoreview residents using the land trust model. Using this model, homebuyers purchase only the house – and enter into a long term agreement with the CLT to lease the land. CLT homes are sold to families with limited incomes. These homes cost less than market rate homes because CLT homebuyers purchase only the house and enter into a long-term agreement – a 99-year ground lease – with the CLT for the use of the land. When a family decides to sell a CLT home, they sell only the house to another family with a limited income for the price that is determined by the resale formula in the ground lease. The home stays affordable for future generations. This model can also be used to help families who may be facing foreclosure.

### *Twin Cities Community Land Bank*

An agreement has also been executed with the Twin Cities Community Land Bank (TCCLB) to administer the National Stabilization Trust's First Look program. The First Look program

provides an efficient and cost effective mechanism for transferring vacant and foreclosed properties directly from banks and servicers to approved buyers at an adjusted and highly favorable price before properties go on the open market. TCCLB provides participating communities information on qualified properties and can negotiate acquisitions on the community's behalf.

#### *Urban Land Institute - Minnesota/Regional Council of Mayors (ULI MN/RCM)*

The City was selected to participate in ULI MN/RCM's Opportunity City Pilot Program. The intent of the Opportunity City Pilot Program is to increase the number of cities that have tools and strategies in place to support a full range of housing choice. The program included a Housing Audit and Site Analysis. The Housing Audit compiled information pertaining to the demographic makeup of the community, existing housing goals, tools and strategies, identified gaps and recommended needed changes to support a full range of housing choice.

The second part of this program, Site Analysis, looked at the potential redevelopment of a site using the ULI Technical Assistance Panel. A number of sites were presented to the ULI TAP for consideration, including the Midland Terrace site. The Midland Terrace site was chosen because it featured some of the ULI's community site principles and has a strong potential for redevelopment.

Recommendations from this Program are included in this plan.

### **Financial Assistance Programs**

Through these partnerships, the City is able to offer a variety of financial assistance programs which promote home ownership and reinvestment. The majority of these programs are administered by the Housing Resource Center; however, there are other agencies such as Ramsey County and the Neighborhood Energy Connection who administer their own loan programs. Map A, Existing Housing Programs 2005 to 2010, identifies the neighborhoods where homeowners have used these financial assistance programs. Map B identifies housing values affordable to those families who have incomes up to 80% of the area median income and Map C shows those homes affordable to families who have incomes up to 60% of the area median income. The following summarizes current programs available to Shoreview residents:

#### *Shoreview Home Energy Improvement Loan*

This program provides a maximum loan of \$20,000 to make energy upgrades to single-family detached homes. Eligible improvements include energy efficient heating and cooling systems, insulation, windows, doors, water heaters and roof replacements. The loan offers a fixed interest rate with the loan payable over a maximum 10-year period. The borrower is eligible for a rebate

of the total interest paid if they reside in the home for ten years after the loan is incurred. There are income limit restrictions for this program. Currently, the maximum household cannot exceed 120% of the Shoreview median household income (\$119,776.00 for a family of four) and the estimated market value cannot exceed 120% of the Shoreview median home value (\$314,640). Qualified properties are identified in Map D, Shoreview Home Energy Loan Program.

#### *Ramsey County Deferred Loan*

This zero interest loan is for low and moderate income owner-occupied, single family properties in Suburban Ramsey County. Maximum loan is \$15,000 for home improvements necessary to meet minimum housing quality standards. Eligible properties must be at least 15 years old and meet the estimated market value limit. Condominium and townhomes are eligible for interior repairs only.

#### *Ramsey County Energy Conservation Loan*

This program funds energy conservation improvements for low and moderate income households living in one to four unit owner occupied buildings. Financing for loans for up to \$6,000 is available for measures which reduce home energy costs, and emphasize fast payback in reduced energy bills such as; high efficiency heating systems, attic/wall/foundation insulation and weatherization.

#### *Ramsey County FirstHome Program*

Ramsey County's FirstHome Program provides financial assistance to low and moderate income families with the purchase of affordable housing in suburban Ramsey County. Households are required to meet income, employment, property and homebuyer education requirements and other specified criteria. This program can be used to acquire single family homes, condominium, townhomes and land trust properties. Down payment assistance is also available through this program.

#### *Minnesota Housing Finance Agency (MHFA) Fix-Up Fund Loan*

This low-interest home improvement loan is available to owner occupied homes including single-family residential, duplexes, triplexes and quads. The program also has income limits and a maximum loan limit of \$35,000 payable over a maximum 20-year term. The loan can be used fund improvements such as windows, insulation, furnace, air conditioning, electrical wiring, and garages among others.

### *MHFA Rehabilitation Loan*

This loan program is designed for low income families whose household incomes do not exceed 30% of the area median income. Eligible properties include single-family detached homes, duplexes, condominiums or townhomes constructed after 1978 and some mobile homes. The loan is forgiven if the homeowner lives in the home for 15 years after the loan is incurred (10 years for mobile homes). The maximum loan amount is \$24,999 and must be used for basic improvements to enhance the livability, accessibility, energy efficiency and lead paint mitigation. This loan can be forgiven if the borrower remains in the home throughout the loan term.

### *MHFA Emergency Loan*

Repairs, emergency conditions and accessibility improvements can be financed through this no-interest deferred loan available to very low-income homeowners. Eligible properties include single-family detached homes, duplexes, condominiums, townhomes and certain mobile homes. The maximum loan amount is \$15,000 and can be forgiven in certain instances. If the owner lives in the home for 15 years after the loan is incurred (10 years for a mobile home).

## **Development Planning**

The City has a planning program to manage the overall development of the community that promotes community stewardship and retains a high quality of life for residents and businesses. This philosophy protects the City's financial assets and investments while managing other community assets such as the environment and economy. This approach results in land use and development that benefits the community and contributes to Shoreview's high quality of life.

### *Comprehensive Plan*

Shoreview's Comprehensive Plan, adopted in 2008, serves as a 20-year policy guide for the community's leaders regarding the development of the City. The policies found in the plan reflect the community's social and economic values and include the planned land uses the City desires. The Plan also identifies programs related to items such as economic development, housing, and transportation. Since the plan is long range, changes that occur over time may require policies to be revised and updated.

The Plan addresses housing in Chapter 7. This Chapter reviews the influence regional conditions have on Shoreview's neighborhoods, identifies existing conditions and local housing issues, analyzes future housing needs and establishes goals, policies and recommended actions to provide housing that meets the City's changing needs. The primary themes found in this chapter are housing maintenance and neighborhood reinvestment, life-cycle and affordable housing and

infill and redevelopment. Attachment A is an excerpt from the Plan containing the goals, policies and recommended actions.

#### *Development Code, Chapter 200 of the Municipal Code*

The City's Development Code is intended to protect and promote the public health, safety and welfare of residents and implement the policies of the Comprehensive Plan. The Code establishes zoning districts which define the types of uses (residential, commercial, industrial, etc) that are permitted in designated areas throughout the City, in a manner consistent with the Comprehensive Plan. The densities at which those activities can be performed (from low-density housing such as single family homes to high-density such as high-rise apartment buildings), and other regulations such as building height, open space requirements, structure locations, impervious surface, and parking requirements.

Residential land uses are divided into five zoning districts; RE-Residential Estate, R1-Detached Residential, R2-Attached Residential, R3-Multiple Dwelling Residential and R4-Mobile Home Residential.

#### *Subdivision Code, Section 204 of the Municipal Code*

The City has also adopted a Subdivision Code which regulates the development of land.

### **Development Incentives**

The City also provides incentives for developers who are able to develop property that fulfills community housing goals. The intent of these incentives is to ease the financial investment required due to higher costs associated with infill and redevelopment. This may include housing projects that include housing which supports the community's need.

#### *Tax Increment Financing*

Tax Increment Financing (TIF) is a funding technique that takes advantage of development or redevelopment to pay public development or redevelopment costs. The tax increment is the difference in tax capacity and tax revenues generated after development compared with the tax capacity and tax revenues generated before development or redevelopment. The City then uses this "captured value" to repay incurred public costs that are eligible expenditures (i.e., acquiring property, removing structures, site and utility improvements).

It has been the policy of the City of Shoreview to use the "pay as you go" approach for assisting a development through tax increment financing. With this approach, the City limits its financial risk by reimbursing the developer for those agreed upon and eligible project costs after the

development has been constructed. This policy ensures that increments will be generated from the new construction and the City does not issue bonds for financing a project. TIF is an implementation device for economic development and redevelopment.

#### *Development Site Land Cost Write Down*

For certain housing developments, specifically those that provide affordable and life-cycle housing, the City may offer a site to a qualified developer at a negotiated below market rate sale price.

#### *Municipal Tax Exempt Bonds*

Municipal tax-exempt bonds is another tool Shoreview may use to encourage housing development which supports the community's housing goals. Principal and interest are secured by the full faith and credit of the issuer and usually supported by either the issuer's unlimited or limited taxing power. Interest income received by holders of municipal bonds is often exempt from the federal income tax and from the income tax of the state in which they are issued, although municipal bonds issued for certain purposes may not be tax exempt. Revenue from these bonds can be used to finance public infrastructure.

### **Code Enforcement and Education Programs**

The City has an established code enforcement program designed to maintain quality neighborhoods and housing through complaint driven inspections, proactive enforcement and education programs. These programs provide citizens with information regarding the City's code enforcement process, ordinance requirements and available resources. The following summarizes the program.

#### *Code Enforcement Inspections*

Code Enforcement inspections are generally conducted in response to public complaints reporting that a property contains a use, construction or an activity that may not be in compliance with the City Zoning and/or Building Codes. Staff investigates the complaint through a site inspection and assesses whether a code compliance issue does in fact exist. If the complaint is verified, the Staff then works with the individuals to achieve compliance. In some instances, legal action may be needed to achieve compliance.

#### *SHINE*

The City has also established **SHINE** (Shoreview Inspections for Neighborhood Enhancement), which is a program whose objective is to maintain the appearance of residential neighborhoods



and protect property values throughout the community. It was created by the City Council as a more proactive approach to raise the awareness of residents on the importance of maintaining homes and properties with the goal of maintaining our quality neighborhoods. Each year one or two neighborhoods are selected and inspected by the Code Enforcement Staff who review the parcels for compliance for the City's property and housing maintenance standards. The program is designed to be educational, however, when significant violations are observed staff will work with the property owners to resolve the issues and take enforcement action when needed. Neighborhoods where SHINE has been completed are identified in Map E, SHINE Neighborhoods (2003 – 2010).

### *Rental Licensing*

Shoreview implemented the Rental Licensing program in 2003 to address issues associated with the increase of rental housing units within the community. This program applies to single-family attached/detached homes, townhomes, mobile homes and multi-family dwelling units that are being used as rental properties. These dwelling units are inspected to ensure the structure and property complies with the City's property and housing maintenance codes. The ordinance has been an effective tool addressing the health, safety and maintenance issues associated with rental housing units. Licensed rental units are identified in Map F, Rental Licenses 2010.

### *Foreclosure Prevention, Tracking and Monitoring*

Staff gathered information about Shoreview foreclosure properties throughout the year. Utilizing the City's GIS and mapping system, staff generated exhibits for the EDA to track the status of the number and location of foreclosure properties within Shoreview. In 2010, there were 78 homes foreclosed on in Shoreview, an increase over the number of foreclosures recorded in 2008 and 2009 (Map G, Foreclosures). Shoreview has responded to the rise of foreclosures and vacant residential homes in the community through a comprehensive approach that combines housing initiatives with code enforcement. The intent of this approach is to stabilize neighborhoods and help ensure that vacant or foreclosed properties are maintained in accordance with the community's standards and brought back to productive use. This strategy includes:

1. Exploring funding strategies and partnerships that encourage the re-occupancy and reinvestment in these homes.
2. Using the Housing Resource Center as a resource for homeowners interested in foreclosure prevention.
3. The Rondo Community Land Trust offers a foreclosure prevention program for qualified property owners who are interested in remaining in their homes and are willing to share any future equity appreciation with the Land Trust.
4. Discontinuing water service for properties that have been foreclosed and are vacant. Properties are inspected to determine vacancy and posted, as necessary. The intent is

- to prevent water damage that can occur in vacant buildings. In 2010, 41 properties were posted for water service shut off. Of those, water service was disconnected to 22 properties. Water service remained on at the remaining 19 properties at the request of the property owner or management company.
5. Monitoring those properties that are known to be in foreclosure or are vacant for compliance to the City's property and housing maintenance standards.

### **Housing Work Plan**

The Shoreview Economic Development Authority has developed a work program that focuses on housing efforts which support the City's housing goals and policies. The following tasks are a priority for the EDA through 2011.

### ***Housing Improvement Areas***

The City held an informational meeting on Housing Improvement Areas for selected townhome and condominium common interest communities (CIC's) to determine the need and level of interest in establishing HIA's in the fall of 2010. While these CIC's expressed interest in learning more about how HIA's can be of assistance, the City has not yet been approached by a CIC requesting the establishment of an HIA. The City will need to adopt a formal policy if one of these CIC's requests the establishment of an HIA for their neighborhood. Eligible CIC's are identified on Map H, Townhome and Condominium Association Map. No significant costs are expected to explore and implement this housing improvement program as projects would be financed through bonding of the City paid back through assessments to the properties.

Further steps for implementation include:

1. Continue to monitor the needs of the CIC's to determine the level of need for each development and whether an HIA is a feasible option
2. Approach the critical communities identified through the needs analysis in No. 1 above and provide information on Housing Improvement Areas (HIA)
3. Gauge response to outreach and focus on CIC's with the greatest interest to pursue HIA process. Use the CIC as a model for others.
4. Prepare a more detailed action plan for facilitation of the HIA process.
5. Resources: Use of the Housing Improvement Areas which allows for an assessment of the improvements.
6. Repayment: Through the assessment.
7. Timing: HIA legislation is currently available through 2013.

### ***Midland Terrace Plaza Redevelopment***

This redevelopment project stems from the ULI/RCM Opportunity City Pilot Program, which included a site analysis for the Midland Terrace Apartment Complex redevelopment site, 3529 Owasso Street. The City and property owner, Tycon Companies, are working towards redeveloping an obsolete retail center with a higher-end new apartment building, diversifying rental housing opportunities in Midland Terrace and expanding lifecycle rental housing opportunities in the city. Midland Terrace includes a 13,000 square foot dilapidated retail center that is occupied by just two tenants who only lease 15% of the floor area. The plan includes demolishing the retail center, realigning Owasso Street, and creating a waterfront redevelopment parcel on which a high-density apartment building would be constructed. This new apartment product is not available in the affordable Midland Terrace complex or other Shoreview apartment complexes. A feasibility study has been completed for the required road improvements and to off-set the costs associated with the required roadwork; the City sought assistance through the Livable Communities Demonstration Account Grant Program, but did not receive funding. The property owner has also prepared and the City has reviewed a preliminary financial pro forma for the new apartment project to determine potential tax increment revenue generation to assist with project costs. Attachment B includes an aerial map identifying the location of Midland Terrace and conceptual site and building elevations.

The City's goal is to have development and financing plans approved in 2011 with demolition of strip center and road project underway by Spring, 2012. Apartment construction would follow later in 2012 with completion by 2013. Project costs would be financed through the developer and new tax increment financing district and possibly other resources if identified. No existing tax increment revenues from other districts are anticipated as a financing source for this project.

The following outlines the actions needed to move this project forward.

1. Work with property owner to determine project budget and potential for tax increment assistance or other financial assistance options
2. Determine amount of TIF generated and the level of any potential financial assistance.
3. Certify new redevelopment TIF District.

### ***Highway Corridor Transition Areas***

Some residential neighborhoods along the arterial highways may no longer be a viable land use due to the noise, traffic volumes and speeds on these arterial highways. The City is interested in identifying these transitional corridors by defining "at-risk" neighborhoods, then evaluating the redevelopment and land use potential along these corridors. A strategic action plan would then be developed that establishes policies, actions, financial information, tools and resources needed to manage the redevelopment of these areas.

The City anticipates working with a planning consultant firm specializing in housing and redevelopment to undertake this study. This study would identify highway corridor transition areas, assess housing conditions and issues, develop concepts for improvements and/or redevelopment, and outline possible financing options to determine feasibility for future project implementation. Estimated cost of a planning study based on the scope of services outlined is in the range of \$40,000 - \$75,000.

Action Steps for implementation include:

1. Identify portions of highway corridors that hold greatest potential to be redeveloped into transitional uses. Research the number of rental units and foreclosures in the specified area.
2. Determine budget for acquisitions, calculate any holding costs and or rental incomes
3. Seek developer once transitional area and potential future uses (multi-family, commercial) are identified.

### **Future Housing Efforts**

In 2009, the City participated in the ULI/RCM Opportunity City Pilot Program in which an audit of the City's housing strategies was completed in addition to a demographic analysis that provided key information on the community's existing households and future needs (Attachment C, Summary Report). The study resulted in a number of recommendations designed to increase the City's capacity in providing a full range of housing choice. The following summarizes the key recommendations of the study.

### ***Address Aging in Place***

Shoreview's residents are aging and staying in their homes longer, meaning that they are aging in place. While aging in place can be a benefit for the community since its seniors are involved in social networking and volunteering, it can also hinder opportunities for young families who desire to move into the City. Housing policies should try to maintain a healthy balance of life-cycle housing by establishing policies that provide housing choice and maintain a resident turnover rate of more than 4% and retention rate of more than 20%. Existing senior housing developments are identified in Map I.

1. Evaluate the needs of existing older residents for alternate types of housing, including single-family attached and multi-family rental options. Survey residents and evaluate income levels of those aging in place.
2. Evaluate, along with other aging east metro suburbs and Ramsey County, the establishment of a home maintenance program for the elderly who are remaining in their

single-family homes as they age. A program similar to that available in Hennepin County, H.O.M.E (Household and Outside Maintenance for Elderly) provides an affordable fee-based housing-maintenance service.

### ***Apartment Reinvestment and New Rental Opportunities through Redevelopment***

There are few apartment rental options in the City of Shoreview. Only 10% of the current housing stock is apartments and the majority of the complexes, with the exception of the senior housing complexes, are more than 30 years old. This housing type serves a great need for a broad range of residents, particularly lower income younger households, and is a senior housing choice for many older residents. The City retains a small percentage of those who live in the apartment complexes and choose to move. The Community Change report found that turnover rate for apartment complexes is 16% and of these households, only 20% remained in the community. Nine percent (9%) of these houses were able to purchase a home in Shoreview. This rate was the lowest of all the communities that participated in the ULI/RCM study.

To reverse this, policies and programs are needed that improve housing choice by providing additional rental housing opportunities and affordable housing. Increasing rental housing choice and maintaining affordability should result in better attraction and retention rates for younger workers and families and provide options for existing residents who are interested in selling their single-family homes but want to remain in Shoreview. Apartment renovation and redevelopment can be increased by:

1. Create a financial assistance program dedicated to apartment (rental housing) renovation and reinvestment. Evaluate ways to increase the City's financial capacity to improve older apartments. Proactively seek out partnerships with nonprofit/for-profit organizations that specialize in older apartment preservation/renovation and redevelopment. Seek Minnesota Housing funding specifically to renovate lower income apartments with the goal to retain existing households.
2. Evaluate opportunities in redevelopment areas to add new apartment living options with modern amenities and design and energy efficiencies. Any new multi-family development considers the ULI MN Community Site Principles. This will add a housing choice not currently available in the City.

### ***Increase Opportunities for Young Households.***

Efforts to provide housing opportunities for young households in the City is important to regenerate neighborhoods, stabilize school enrollment and keep commercial services viable. The City can provide resources with a specific focus on increasing the younger resident population. Examples include:

1. Partner with non-profit housing organizations, such as the Rondo Community Land Trust, to provide long-term ownership and affordability through a land trust or other housing programs.
2. Consider a Senior Housing Regeneration Program (SHRP) for the purchase of existing housing from older adults wishing to sell. These homes can then be “regenerated” by completing any needed repairs and renovation, then offering them for sale generally to younger households at affordable prices.
3. Partner with organizations that provide assistance or acquire foreclosed homes, renovate them as needed and offer them for sale to qualified homebuyers.
4. Foster strong working relationships and dialogue with the City's school district. By working together, the City and schools can market programs for home purchases by teachers and those families who currently open enroll. Targeting housing programs to households with children will help provide healthy living arrangements and stabilize school turnover.
5. Expand connections of the current and future housing opportunities to local jobs by working with employers to determine housing needs and evaluating links between employment wages and housing values.

### ***Home Maintenance and Neighborhood Preservation***

Shoreview’s housing programs include those low-interest or deferred interest loan programs funded through the state, county and City providing options for residents who are in need for financial assistance for home maintenance and repairs. The Housing Resource Center administers these programs on behalf of the City. While the use of state and county programs has been limited in Shoreview because of income restrictions, the Center’s construction consultation service has been widely used. To enhance the existing tools in the toolbox, the City should consider the following:

1. Continue partnership with the Housing Resource Center to administer housing programs.
2. Create a home-renovation program, using future HRA levy funds, targeting households with income at or below 120% of area median income-an acceptable workforce housing income limit. Evaluate similar city programs such as Roseville, Woodbury and Coon Rapids. Administer the program through the Housing Resource Center.
3. Continue to support the educational approach to code enforcement through the Shoreview SHINE.
4. Consider expanding the Shoreview Home Energy Loan Program to include townhome and condominiums in addition to single-family residential.
5. Continue the licensing and inspection of rental dwelling units.

## ***Land Use Controls and Other Housing Maintenance & Renovations Strategies***

City leaders have a variety of public tools and strategies they use to determine their participation in land use decisions, maintenance standards and the facilitation of redevelopment and renovation. Continuing to be part of the solution and helping to change the way land is used and buildings are maintained takes strong local leadership and vision. National statistics indicate that future households will demand more compact and connected communities. The City of Shoreview is fully developed but has opportunities for redevelopment. Providing a wide range of strategies that balance renovation, maintenance and redevelopment of the existing housing stock is important. Recommendations relating to specific public policy decisions include:

1. Continue to fund and implement the rental licensing program and consider the benefits of a point-of-sale program to help provide consistent maintenance standards for existing housing stock. Even in a time of economic uncertainty, providing methods to ensure that existing homes are properly maintained is essential.
2. Evaluate alternate ways to zone land that would better manage and promote mixed-use and compact, connected development. Form/performance-based zoning is an option that supports more walkable, mixed-use development.
3. Support building and land development requirements that promote sustainability and long-term energy efficiency.
4. Adopt the ULI Minnesota Community Site Principles in the evaluation of future multi-family and mixed-use housing development and redevelopment opportunities.
5. Address older common-interest communities through the use of the Housing Improvement Area legislation that provides affordable renovation loan options.

## **Authority for Providing Housing Programs**

### ***City Council***

The City is managed by a Council-Manager form of government that provides for the Council to exercise the legislative power of the City and to establish all matters of policy. The City Manager is responsible for the administrative operation of the City and is responsible to the Council for the proper administration of all affairs relating to the City.

### ***Economic Development Authority***

The mission of the Shoreview Economic Development Authority is to facilitate economic growth by supporting existing businesses, foster reinvestment in residential neighborhoods and commercial areas, and promote the creation of new business, employment and housing opportunities in order to sustain and enhance the economic vitality and quality of life in the community.

**Attachment A**  
**Comprehensive Plan**  
**Chapter 7 – Housing**  
*Excerpt – Goals, Policies and Recommended Actions*

*(Since the adoption of the Comprehensive Plan in 2008, some of the policies and recommended actions have been implemented)*



## **Housing Maintenance and Neighborhood Reinvestment**

### **Goals**

1. To maintain and enhance the quality of residential neighborhoods.
2. To proactively encourage housing and property maintenance ensuring stable neighborhoods and property values.
3. To provide adequate municipal services and infrastructure in our residential neighborhoods.
4. To promote available resources providing assistance residents with property and home improvements.

### **Policies**

- A. Enforce and address code compliance issues, and examine the feasibility of new regulatory programs to improve and protect the appearance of the City's neighborhoods.
- B. Continue using the SHINE and Rental Licensing Programs to ensure that residential properties and dwellings are maintained in accordance with community standards.
- C. Support educational efforts to provide homeowners, homeowner associations and landlords with information on property maintenance, and available resources.
- D. Where feasible, target some of the City's older neighborhoods for infrastructure and landscaping improvements as a catalyst for housing renewal.
- E. Assist homeowners in renovating and remodeling their homes to meet the needs of today's market through City participation in local, state and federal housing programs. Continue our partnership with the *Housing Resource Center* and other non-profit and government agencies such as the Neighborhood Energy Consortium and Ramsey County Community Development Agency that provide housing programs, services and other initiatives.

### **Recommended Actions**

1. Consider targeting older neighborhoods for street improvements to promote private housing investment.
2. Continue and expand proactive efforts such as the SHINE neighborhood inspections initiatives and other educational programs to the public.
3. Continue and expand code enforcement efforts and undertake abatement actions on properties with serious maintenance violations that negatively impact neighborhoods and/or the community.
4. Continue the rental housing licensing program to help maintain the quality of our housing stock and neighborhoods.

5. Periodically review zoning and development regulations to consider allowing greater flexibility for residents to reinvest and improve their properties.
6. Consider the creation of an Economic Development Authority (EDA) or similar funding mechanism, to ensure that the City is appropriately positioned to provide the assistance needed to achieve housing maintenance and neighborhood reinvestment goals.
7. Consider using alternative methods or techniques that improve the City's code enforcement program such as a "hotline" and web-based reporting system, abatement mechanisms, or an administrative judicial process.
8. Market and promote available programs and resources to assist property owners with home repairs and improvements, including sustainable design/practices, green building and active living.
9. In coordination with the SHINE program, the City may host neighborhood housing fairs that provide information to residents regarding housing maintenance and remodeling, perhaps including a remodeling and builders fair.
10. Consider developing closer contact with townhome and condominium homeowners associations and require them to provide a contact name to the City on an annual basis to facilitate communication between the associations and the City. The City will consider establishing an education program for homeowners' associations about maintenance budgeting. Such a program could include City-sponsored meetings or educational presentations for homeowners' associations.
11. Continue educational efforts about regulations for yard maintenance, including environmentally sound practices, in the City's quarterly newsletter.
12. Consider an awards or other recognition program for exemplary remodeling, landscaping or environmentally friendly (green) projects.
13. Consider the further study of neighborhoods, including those identified as Housing and Neighborhood Areas and evaluate potential housing programs that would address specific housing needs in these areas.
14. Consider establishing programs to assist homeowners such as, rehabilitation loans, energy loans, and property improvement loans.

## **Life-Cycle and Affordable Housing**

### **Goals**

1. To create and maintain a well-balanced community that provides life-cycle and affordable housing with a diverse mix of housing types and values.
2. To respond to demographic changes by providing housing for a variety of age and income groups.

## **Policies**

- A. Provide and seek financial assistance from public agencies for development projects that provide affordable and life-cycle housing.
- B. Continue our partnerships with non-profit and other government agencies such as the Metropolitan Council and Ramsey County Community Development Agency, which administer life-cycle and affordable housing programs.
- C. Promote life-cycle and affordable housing within the community by educating citizens about the benefits and need for a balanced housing stock.
- D. Explore participation in state and federal housing programs as a source of funding for lifecycle and affordable housing.
- E. Review demographic information periodically and adjust life-cycle and affordable housing goals to meet the needs and demands of current and future citizens.

## **Recommended Actions**

- 1. Review goals periodically. Shoreview has adopted Livable Communities Act goals as shown in Table 7-10 below. Shoreview will review demographic information periodically and adjust its life-cycle and affordable housing goals to meet the needs and demands of current and future citizens.
- 2. Work with public and private developers to expand life-cycle and affordable housing options in accordance with its adopted Livable Communities goals. The City may consider financial assistance where appropriate.
- 3. Explore financial assistance for senior citizens and households with special needs and investigate working with neighboring cities to assess the changing need for specialized housing and prepare a coordinated response.
- 4. Consider advertising and promoting the use of first-time homebuyer assistance programs from the Minnesota Housing Finance Agency. The City may work with real estate agents to increase the amount of information available about MHFA, Federal National Mortgage Agency and other first-time homebuyer programs.
- 5. Continue to work toward implementation of the Shoreview Town Center and Core Area Framework Plan, including redevelopment, infill development, land use changes, mixed-use zoning, public landscaping and other infrastructure improvements that could provide opportunities to add a variety of housing choices and related services.
- 6. Consider the creation of an Economic Development Authority (EDA) or similar mechanism, which could be used as a funding mechanism to provide additional life-cycle and affordable housing opportunities in the City.

## **Residential Infill and Redevelopment**

### **Goal**

1. To encourage residential infill and redevelopment that supports the City's housing goals and maintains residential character.

### **Policies**

- A. Continue to enforce the existing design standards and review process for development on substandard lots.
- B. For non-residential development, multi-family residential and residential development proposals consisting of three or more lots, including those that require a public street, which are adjacent to an existing residential neighborhood, the City shall consider the impact on neighborhood character.
- C. Continue to use the policies stated in Chapter 4, Land Use, when evaluating development proposals.
- D. Higher density residential development within an existing neighborhood may be considered when; the area is adequately served by municipal services, environmental conditions can accommodate the proposed density, natural resources are protected and the use is deemed compatible with surrounding land uses.

### **Recommended Actions**

1. Evaluate the performance standards in the existing Development Code and consider revisions to minimize the impact of development on existing residential neighborhoods.
2. To minimize impacts, mitigation will be required when non-residential or multi-family development is adjacent to an existing residential neighborhood. Mitigation could include site design features, building layouts, reductions in building height and mass, increased building setbacks, landscaping, berming, fencing and other buffering techniques.
3. The mitigation of impacts may also be required when a proposed residential development consists of a housing type that is substantially different than existing housing in the surrounding neighborhood. Mitigation could include site design features, building layouts, reductions in building height and mass, increased building setbacks, landscaping, berming, fencing and other buffering techniques.
4. Periodically review zoning and subdivision regulations and consider allowing greater flexibility with subdivision design.
5. Explore establishing policies that integrate new development into existing residential

**Attachment B**  
**Midland Terrace Plaza Redevelopment**

## Shoreview Technical Assistance Panel (TAP) Process

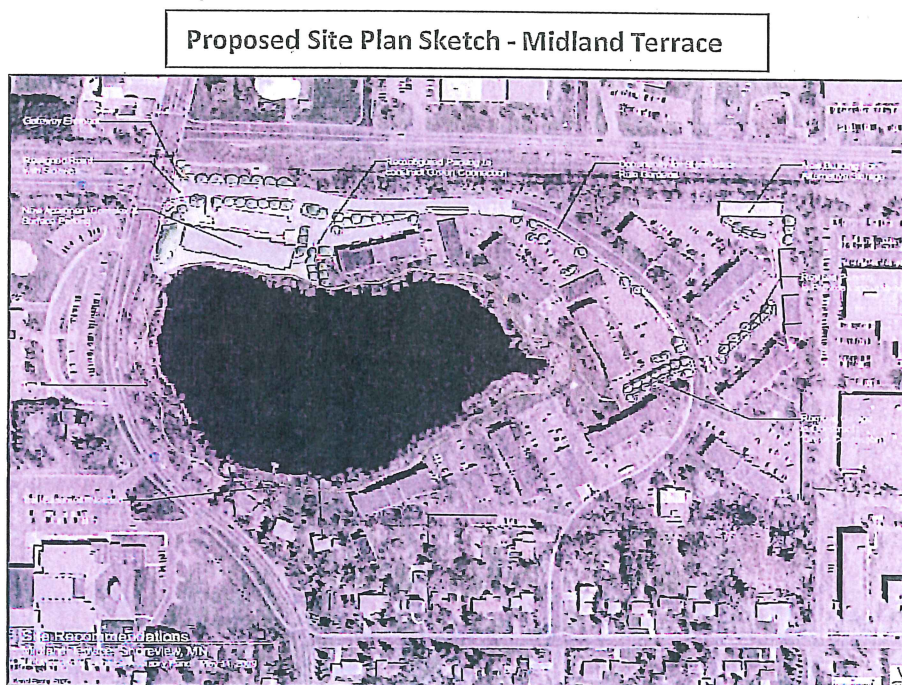
The City of Shoreview chose to engage in the ULI Minnesota Technical Assistance Panel (TAP) process to help evaluate land use options for its largest apartment complex, Midland Terrace. The TAP process included an interdisciplinary panel of ULI Minnesota experts in the real estate, planning and development fields to explore the project and its potential for renovation and/or redevelopment, and to provide local policy leaders with recommendations and site considerations to help the project move forward. The process included a site visit, goal-setting with policy leaders and two strategy meetings with the panel of experts. The process also included general market evaluation, demographic summary for the site and neighborhood and a proposed future site sketch plan. The final recommendations were presented to policy leaders. *[The Technical Assistance Panel Report for Shoreview is available in appendix 6.]*

*Create a long-term repositioning strategy* to respond to market changes, which would include a master plan for placement of structures, design of buildings and units, and financing. Goals should include creating a more diversified product that matches the workforce housing needs of the City.

***Upgrade the lake quality*** adjacent to the complex with strategic pre-treatment, new plantings and an aeration system to create an amenity for the residents and for the community as a whole.

***Do strategic maintenance of the buildings and units*** so that all ongoing renovation to units and buildings is made with a design vision in mind. A complete design vision should be developed for the site to take it into the future and allow for upgrading and modernizing the apartments that will help maintain a positive tenant base in the current marketplace.

*Evaluate a redevelopment opportunity* in the northwest corner of the site, to include the construction of a new apartment building that would generate a new market for the owners and allow for better



**Overall site improvements** should include a reduction in the number of garages and surface parking stalls, adding a public trail around the lake, replacing concrete surfaces with pervious materials, adding and improving landscaping around the buildings and within parking areas and upgrading the boulevard appeal.

The TAP also provided private and public financing options with a preliminary *pro forma* relative to the suggested redevelopment and public site improvements. These options included owner financing through a HUD/FHA 221(d)(4) mortgage loan and city tax-increment financing. Because many of the units currently are considered affordable, the report outlined financial assistance options to help with renovation and redevelopment to retain affordability. All of these financial options require more detailed evaluation by the City and property owner, as the TAP made many assumptions that may not be consistent with City policies and the owner's financial capacity.

**Attachment C**  
**ULI/RCM Opportunity City Pilot Program**  
**Community Change Report Summary**



## Community Change Report Summary

### Community Change—Key Points:

The City of Shoreview's households are aging. More than a third of the households are already between the ages of 55 and 74. Trends since 2004 show a gain in older households and an offsetting decrease in households under the age of 55. The continued aging of the households coupled with more than 80 percent of the households choosing to remain in their homes creates an imbalance of a larger portion of the residents "aging in place." Younger households, under age 35, are having difficulty finding available and affordable housing. This will only continue, as there are limited move-up housing options and very low residential turnover rates. Those under the age of 35 currently account for only 12 percent of all households. There is a potential economic cost to this "aging in place." It can destabilize school enrollment levels, shift demand for local commercial goods and services and reshape the need for community-based programs and services. All issues that policy leaders and local planners should be concerned with.

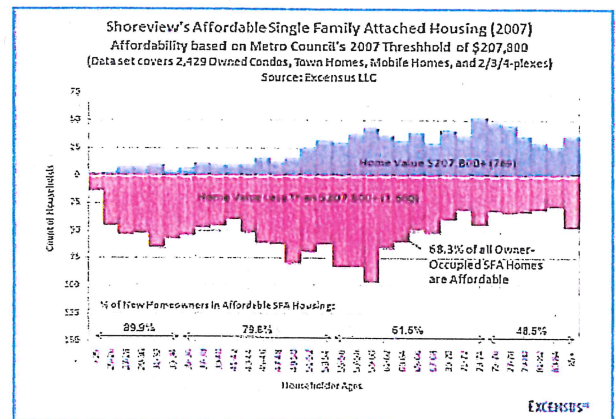
Homeownership in the City is very high at 83 percent, with half of the homeowners over the age of 55. While sixty percent of households under the age of 35 are homeowners, this group represents a very small share, only 9.1% of the City's homeowners.

Rental housing is currently a small share of the City's housing base but it serves a key group of young and older households.

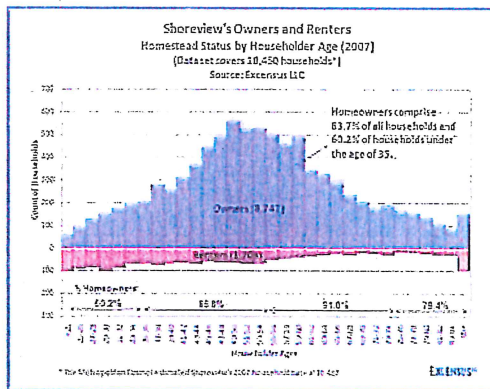
The following is a brief summary of the key statistics from the demographic change report provided to Shoreview. *[The full change report is provided in appendix 5.]*

- 12 percent of homeowners and 43 percent of renters were new in their home since 2004. Despite the high homeownership level in the City, fewer than half (42%) of all new incoming households during the period 2004 to 2007 were homeowners, indicating a market and need for additional rental options.

- Older households (ages 55 or older) occupy half (49.1%) of the single-family homes built before 1980. Only 30% of all new homes are occupied by this age group.
- A very small share (7%) of the City's owner-occupied single-family detached homes are "affordable" based on the Metropolitan Council's threshold value of \$207,800 in 2007. However, 68% of all owner-occupied single-family attached housing (townhome, condo) had a value within this "affordable" range and 90% of those homeowners were under the age of 35.

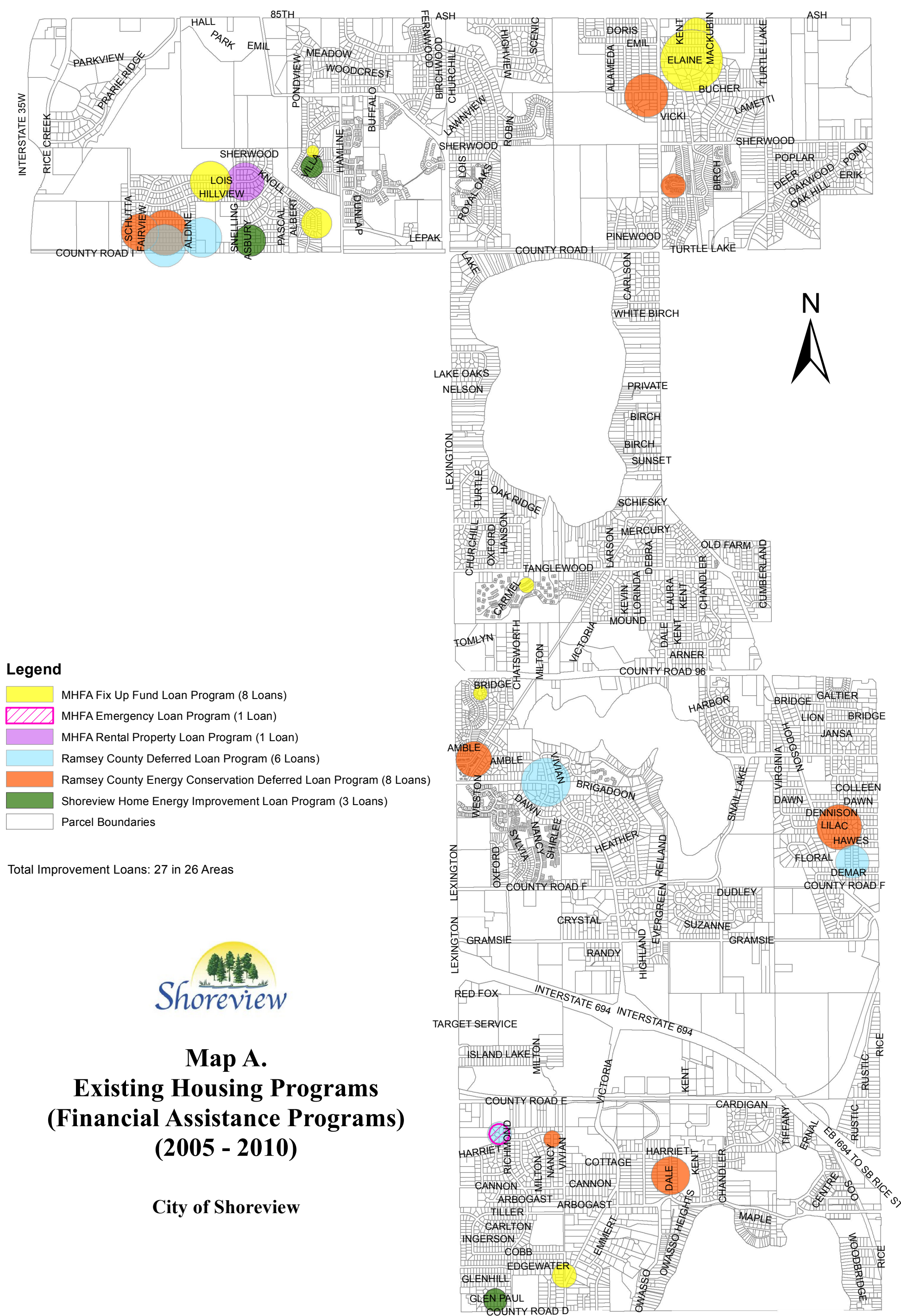


- With 10% of the City's households living in apartments, this housing type serves a broad mix of household ages with 37.5% under the age of 35, 30% age 55 or older and 8% over age 85. In addition, there is more stability for those living in apartments compared to other communities—50.4% of households were at the same apartment address over the three-year period 2004–07.
- During 2004–2007, 37% of all new households were under the age of 35, with the majority of those in apartments or single-family attached housing.
- During 2004–07, only 20% of residents who moved ended up in another home within the City, which is the lowest retention rate of any Opportunity City reviewed. Only 9% of households moving from an apartment were able to find a single-family home in the City.
- Only 7.5% of the residents have their primary job within the City.

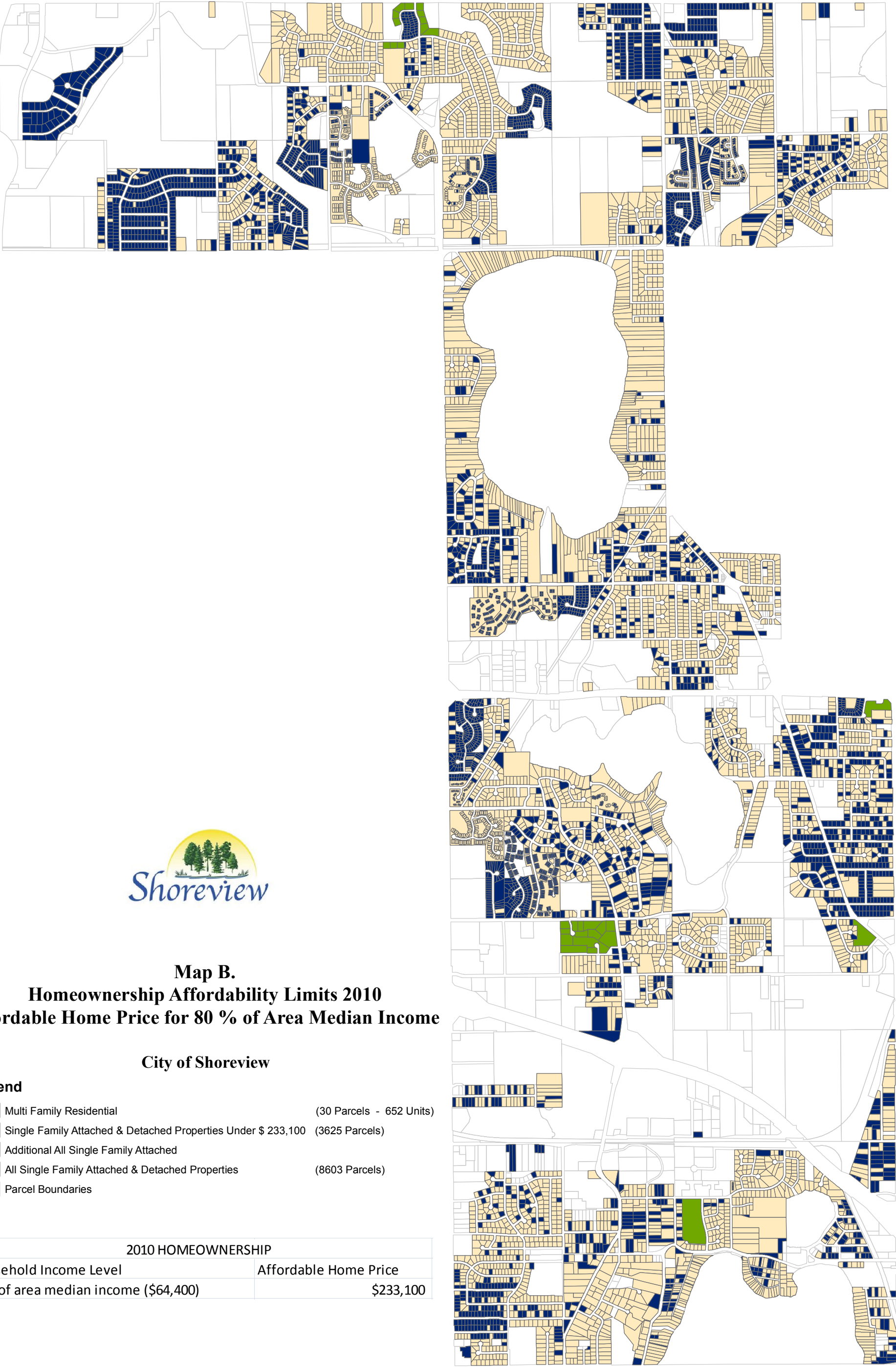




## **Maps (A - I)**



Note: For confidentiality, locations are approximate. The circles on this map show the location and contain the area of loan programs. The difference in size represents the boundary of each area.



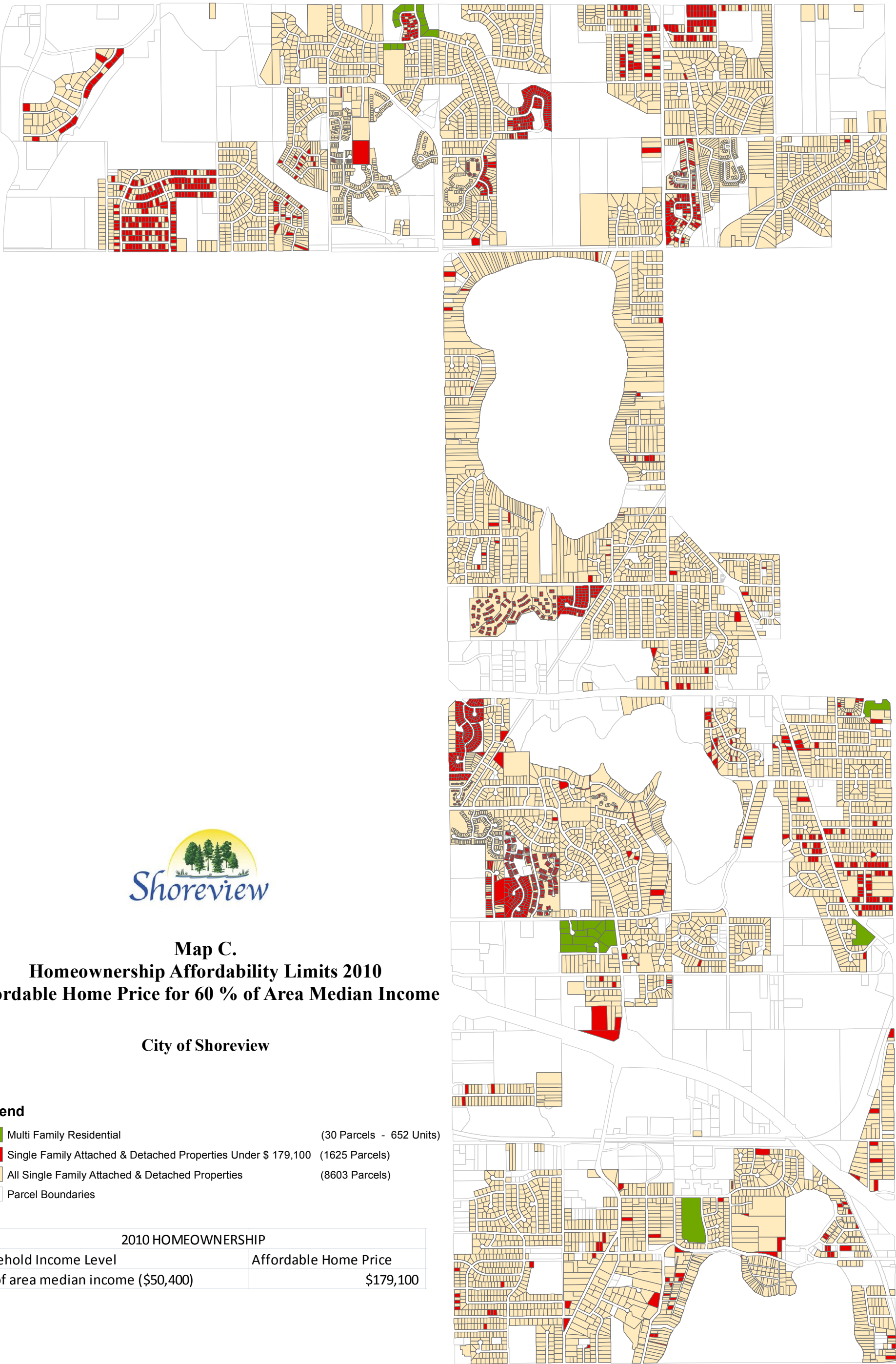
**Map B.**  
**Homeownership Affordability Limits 2010**  
**Affordable Home Price for 80 % of Area Median Income**

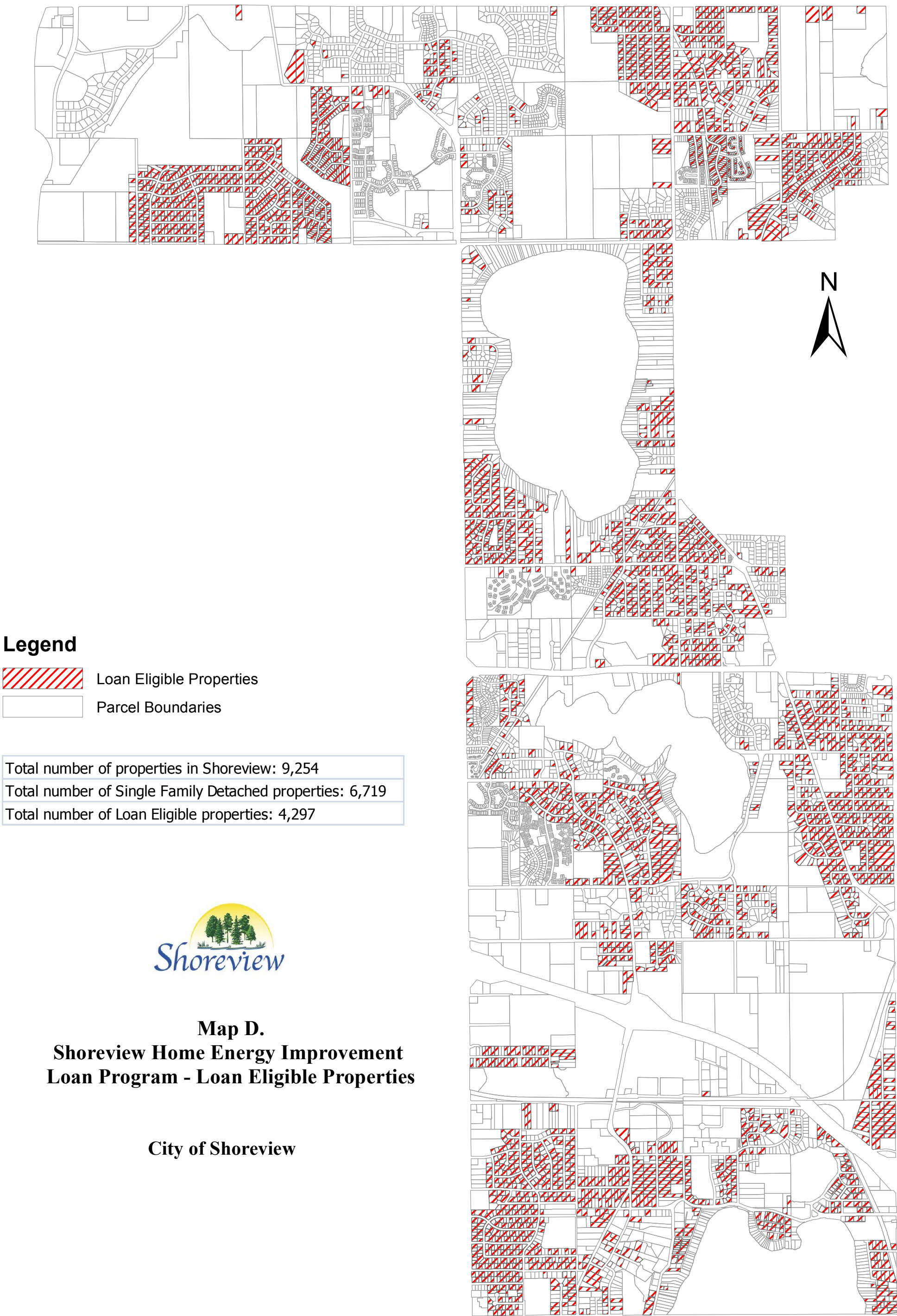
**City of Shoreview**

- Legend**
- Multi Family Residential (30 Parcels - 652 Units)
  - Single Family Attached & Detached Properties Under \$ 233,100 (3625 Parcels)
  - Additional All Single Family Attached
  - All Single Family Attached & Detached Properties (8603 Parcels)
  - Parcel Boundaries

2010 HOMEOWNERSHIP	
Household Income Level	Affordable Home Price
80% of area median income (\$64,400)	\$233,100

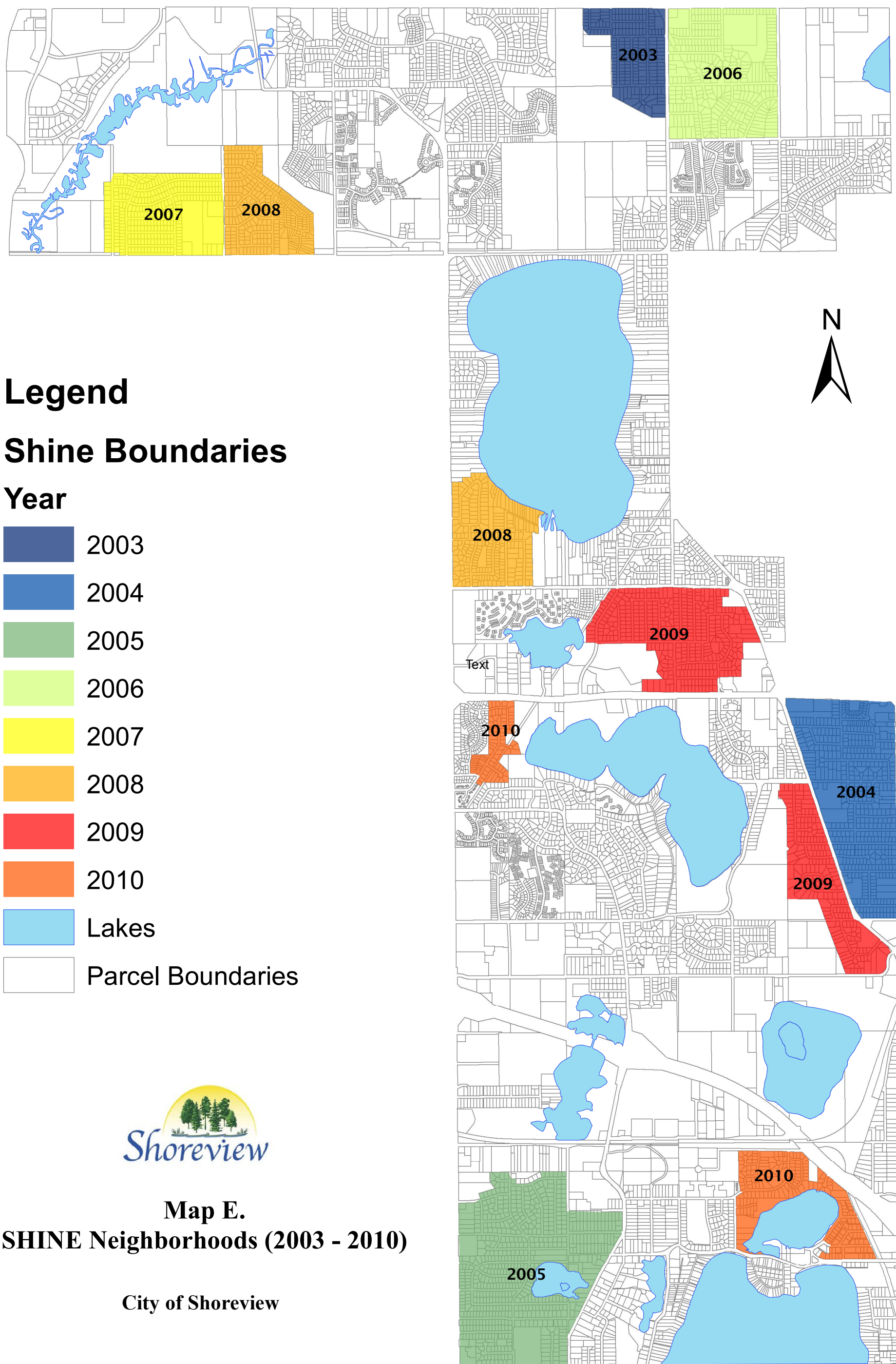






Eligibility Criteria= Single Family Detached properties that their 2007 total home value is less than \$314,640.





# Legend

## Shine Boundaries

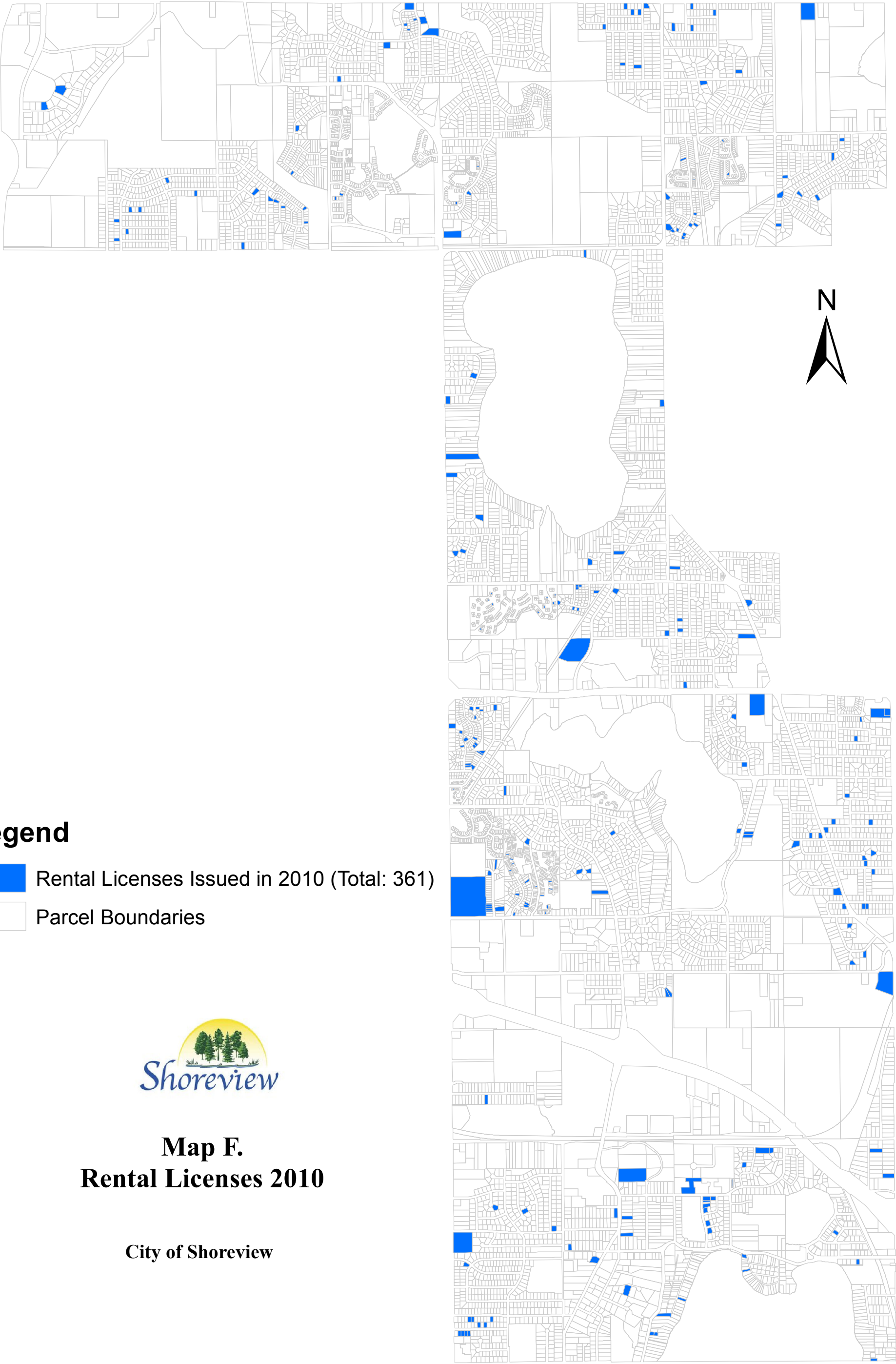
### Year

- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- Lakes
- Parcel Boundaries

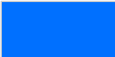



Map E.  
SHINE Neighborhoods (2003 - 2010)

City of Shoreview



**Legend**

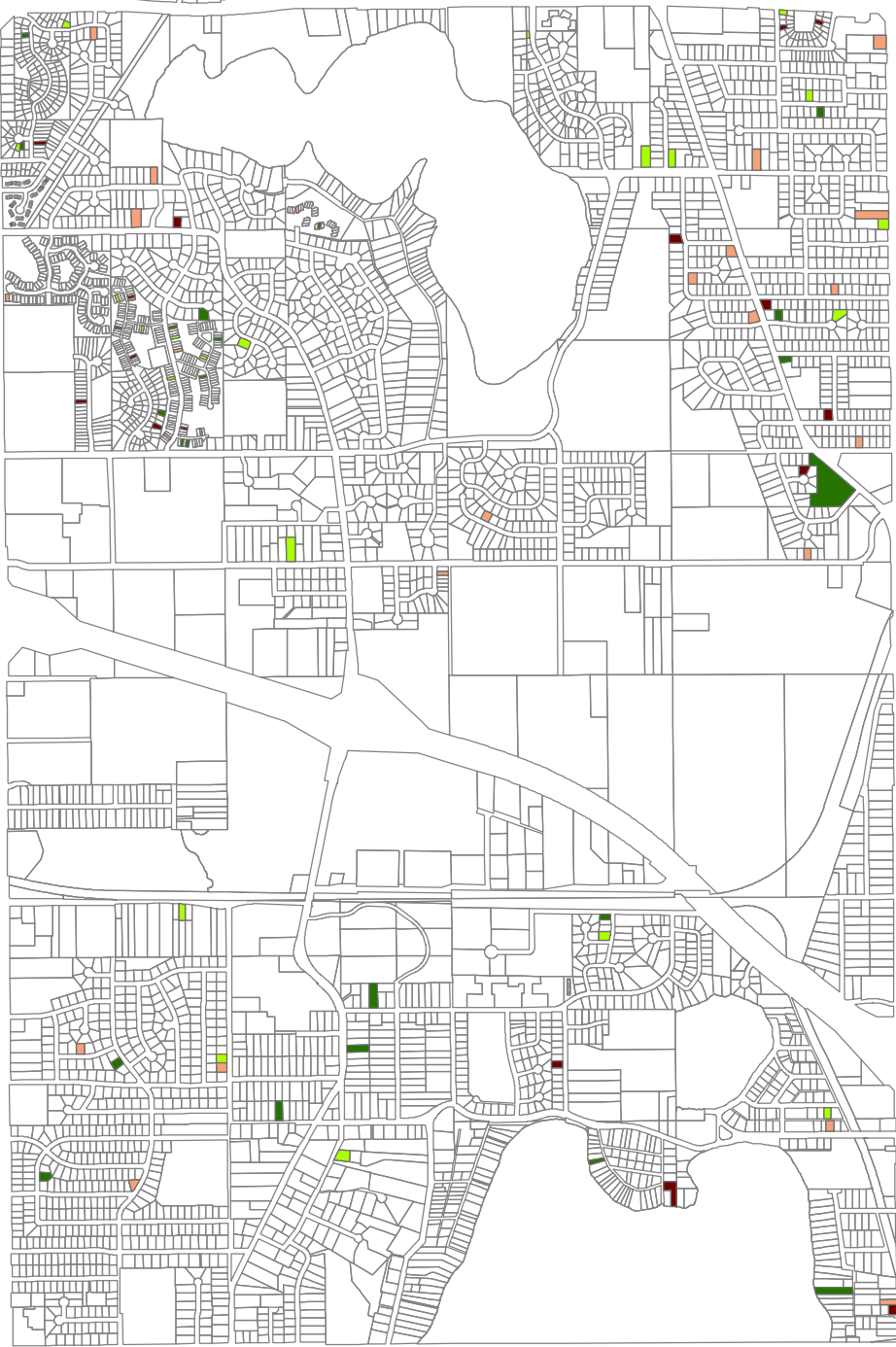
-  Rental Licenses Issued in 2010 (Total: 361)
-  Parcel Boundaries



**Map F.  
Rental Licenses 2010**






**City of Shoreview**





**Legend**

**Shoreview Foreclosures (249 Properties)**

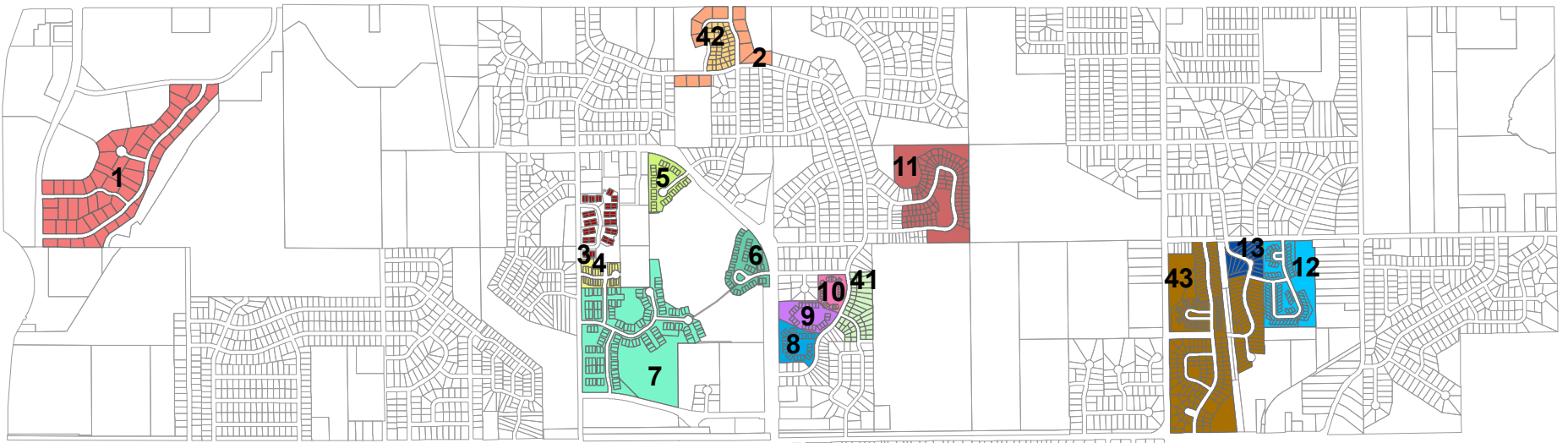
-  2007 (46 Properties)
-  2008 (50 Properties)
-  2009 (75 Properties)
-  2010 (78 Properties)
-  Parcel Boundaries



**Map G.  
Shoreview Foreclosure (2007 - 2010)**

**City of Shoreview**





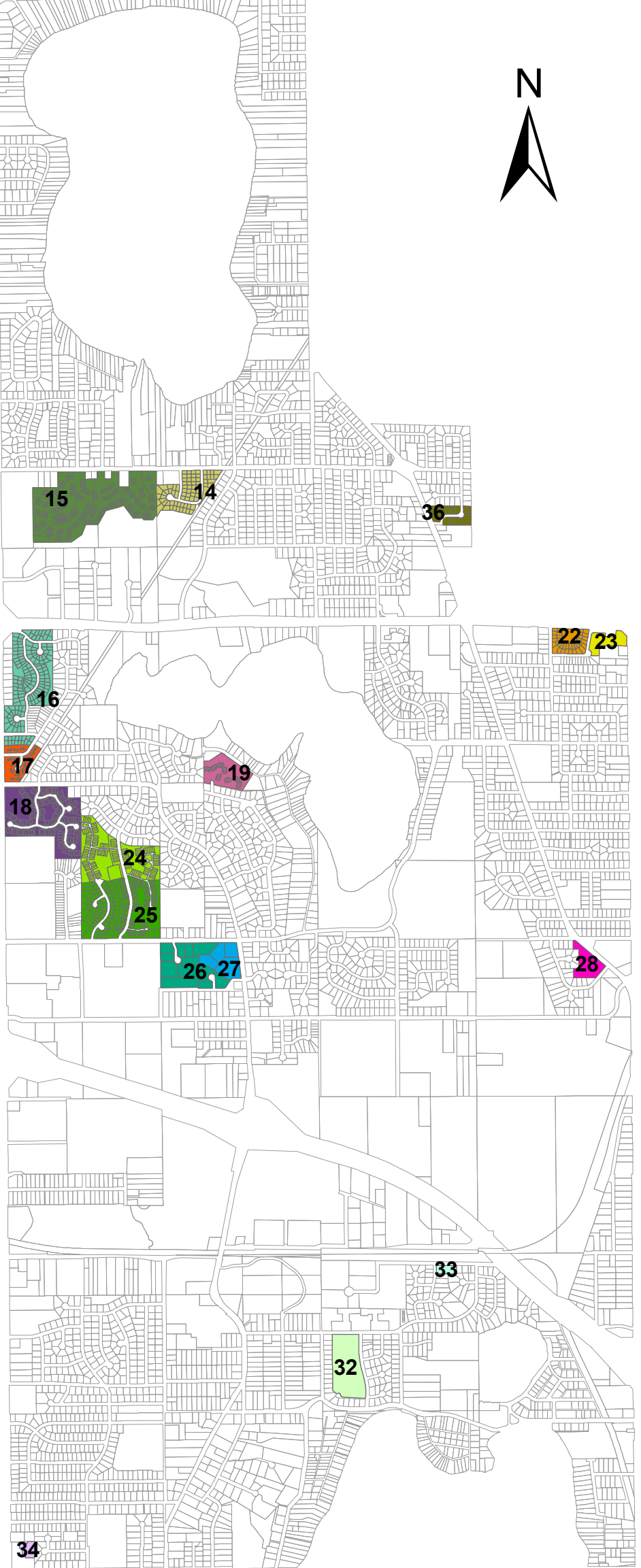
## Legend

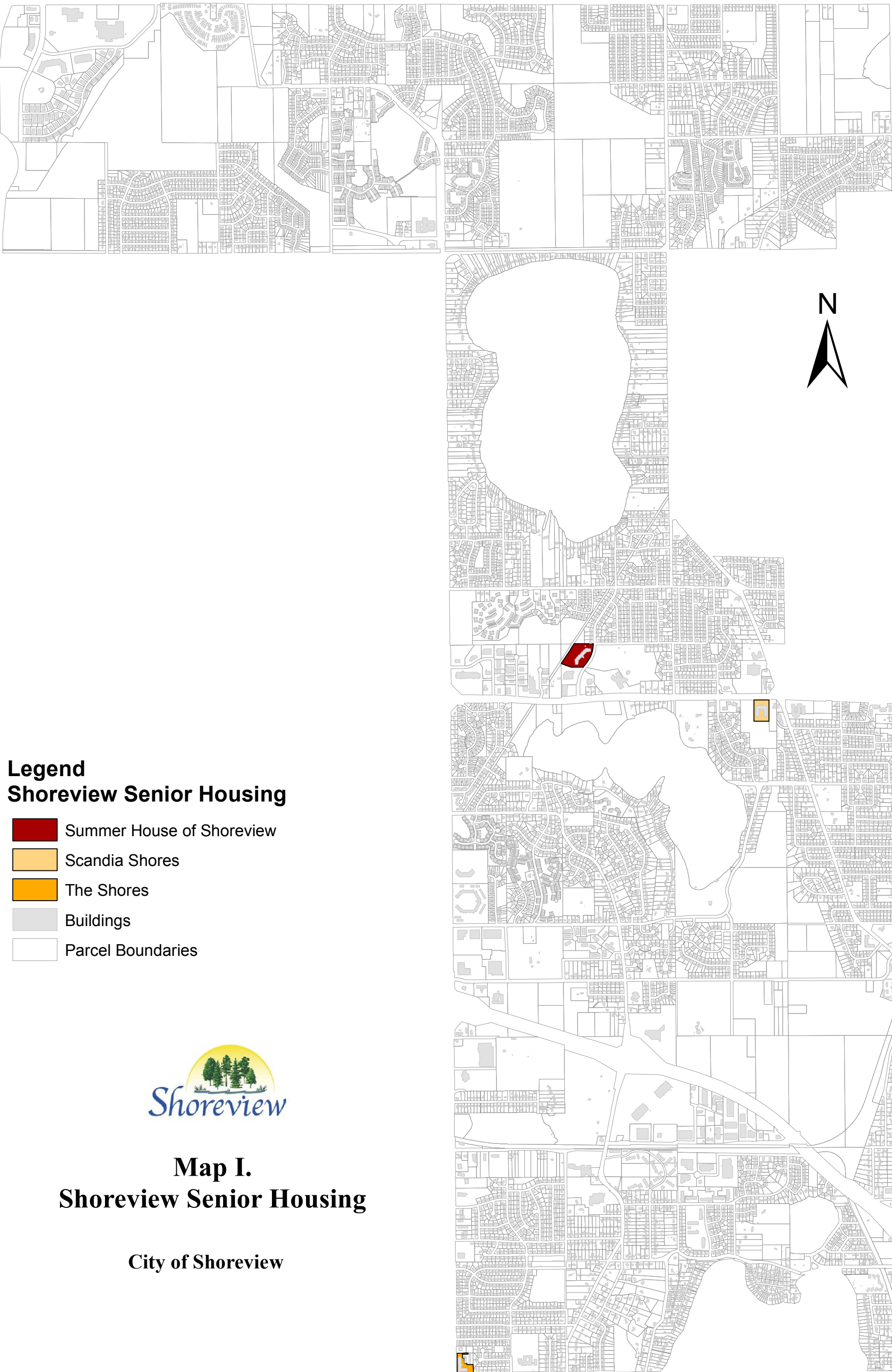
- 1) Village at Rice Creek
- 2) Cherrywood Hills
- 42) Dellwood
- 3) Willow Creek
- 4) Sunview
- 5) Lexington Curve
- 6) Lexington Estates No. 4
- 7) Silverthorne Estates
- 8) Lexington Estates No. 3
- 9) Lexington Estates No. 2
- 10) Lexington Estates
- 11) Cherrywood Hills HOA
- 12) Willow Glen
- 13) Heather Ridge East
- 43) Heather Ridge TH
- 14) Tanglewood Terrace
- 15) Lake Martha (Fox Glen)
- 16) Lake Ridge
- 17) Rolling Hills
- 18) Weston Woods
- 19) Casa Collina (Highland Woods)
- 22) Tudor Oaks HOA
- 23) Tudor Oaks (Galtier Place)
- 24) Cherokee Hills No. 1
- 25) Cherokee Hills No. 2
- 26) Wilshire Ponds
- 27) Victoria Village
- 28) Shoreview Estates
- 32) Lake Place
- 33) Cardigan Place
- 34) Shoreview Village
- 36) Villas at Whispe
- 41) Serene Court
- Parcel Boundaries








## Map H. Townhome and Condominium Associations Map

City of Shoreview





**Legend**  
**Shoreview Senior Housing**

-  Summer House of Shoreview
-  Scandia Shores
-  The Shores
-  Buildings
-  Parcel Boundaries



**Map I.**  
**Shoreview Senior Housing**

**City of Shoreview**